

American Medical Association Creates New Category 1 Code for Torax Medical's LINX Procedure to Treat Gastroesophageal Reflux Disease

Torax Medical, Inc., a leader in therapeutic interventions for sphincter-related diseases, including gastroesophageal reflux disease (GERD), announced today the American Medical Association (AMA) has created a new Category 1 Current Procedural Terminology (CPT®) Code for esophageal sphincter augmentation using the LINX® Reflux Management System effective January 1, 2017. The LINX device is placed with a minimally invasive laparoscopic procedure and is intended to restore control of abnormal reflux.

The AMA's assignment of a Category 1 CPT Code further establishes the LINX® procedure as a first-line, minimally invasive treatment option for GERD. Procedures assigned a Category 1 Code are required to be consistent with contemporary medical practice, performed nationwide and supported by documented clinical evidence of efficacy.

Robert Ganz, M.D., a leading Gastroenterologist, Chief of Gastroenterology at Abbott Northwestern Hospital, and an author of the new code application to the AMA commented, "GERD is a lifelong problem that can be highly disruptive to people's lives. It can lead to serious complications such as Barrett's esophagus and cancer of the esophagus. Medication does not solve the problem; it only controls acid secretion which actually masks the reflux. Long term use of medication is also not viable for many people due to ineffectiveness, side effects, or volume regurgitation. The only option to really cure reflux is to restore sphincter competency and the LINX® does that in a more natural way. I counsel patients needing an anti-reflux procedure to consider the LINX procedure first."

"The AMA's assignment of a specific code for esophageal sphincter augmentation not only validates the clinical need for the LINX® device, it also confirms the procedure has achieved the necessary level of utilization and clinical evidence to be included in the U.S. healthcare coding system. Support for the new code came from both Gastroenterological and Surgical Specialty Societies, whose members treat patients with GERD and recognize the need for better treatment options. Importantly, this code will provide surgeons who perform anti-reflux procedures a specific means to communicate with payers when performing the LINX® procedure," stated Todd Berg, President and CEO of Torax Medical.

About Current Procedural Terminology (CPT)

CPT® codes are a listing of descriptive terms and identifying codes for reporting medical services and procedures. The purpose of CPT® is to provide a uniform language that accurately describes medical, surgical, and diagnostic services, and thereby serves as an effective means for reliable nationwide communication among physicians and other healthcare providers, patients and third parties. CPT® is a registered trademark of the American Medical Association. The AMA's creation of the new code is reflected in a summary of CPT Editorial Panel actions, which is available at <http://www.ama-assn.org/ama/pub/physician-resources/solutions-managing-your-practice/coding-billing-insurance/cpt/cpt-process-faq/code-becomes-cpt.page>

About GERD

Gastro-esophageal Reflux Disease (GERD) is a chronic, often progressive disease resulting from a weak lower esophageal sphincter that allows harmful gastric fluid to reflux into the esophagus, resulting in both pain and injury to the esophageal lining. GERD is associated with a pre-cancerous condition known as Barrett's esophagus, which increases the risk of esophageal cancer. Symptoms of GERD include heartburn and regurgitation, often associated with chronic sleep disruption, and may also include persistent cough, excessive throat clearing, hoarseness and a feeling of a "lump" in the throat. Acid reflux medications, such as Prevacid®, Nexium®, and Prilosec®, affect gastric acid production, but do not repair the sphincter defect, allowing continued reflux. Anti-reflux surgery called Nissen fundoplication reconstructs a new reflux barrier using a portion of the patient's stomach which is wrapped around the lower portion of the esophagus.

About the LINX® Reflux Management System

LINX® is a small implant comprised of interlinked titanium beads with magnetic cores. The magnetic attraction between the beads augments the existing esophageal sphincter's barrier function to prevent reflux. The device is implanted using a standard minimally invasive laparoscopic procedure and is an alternative to the more anatomically disruptive fundoplication, commonly used in surgical anti-reflux procedures. The LINX® Reflux Management System is indicated for those patients diagnosed with GERD as defined by abnormal pH testing, and who continue to have chronic GERD symptoms despite maximum medical therapy for the treatment of reflux.

LINX does require a surgical procedure and is associated with potential risks, contraindications and life style modifications. For more information on LINX, including a statement of risks, please visit www.linxforlife.com.

About Torax Medical Inc.

Torax Medical, Inc. is a privately-held medical device company headquartered in St. Paul, Minnesota that develops and markets products designed to treat sphincter disorders utilizing its technology platform, Magnetic Sphincter Augmentation (MSA). Torax Medical is currently marketing the LINX® Reflux Management System for the treatment of GERD in the U.S. and Europe and the FENIX® Continence Restoration System for the treatment of Fecal Incontinence (FI) in Europe. For more information, please visit www.toraxmedical.com.